



PROTECTED B

BRIEFING NOTE TO THE MINISTER OF INFRASTRUCTURE AND COMMUNITIES

**RECOMMENDATION TO MODIFY THE TRANSIT BUSES PROJECT IN THE CITY
OF WINNIPEG IN MANITOBA – PUBLIC TRANSIT INFRASTRUCTURE FUND
SUMMARY REPORT #8**

(For Signature)

PURPOSE

- The purpose of this note is to seek your approval to modify the Transit Buses Project (the Project) located in the City of Winnipeg (the City) in Manitoba as set out in the Public Transit Infrastructure Fund (PTIF) Summary Report #8 (Annex A).

HIGHLIGHTS/KEY CONSIDERATIONS



- As per Section 8 of the Public Transit Infrastructure Fund and Clean Water and Wastewater Fund (PTIF-CWWF) Bilateral Agreement (the Agreement), Manitoba has submitted PTIF attested Project List #8 which includes one modification to a previously approved project. The Project modification is a result of lower than expected bus purchase pricing. The City intends to use a portion of the cost savings [REDACTED] of the \$5,710,000 in total cost savings) to purchase an additional five buses for the City. Based on the information submitted by Manitoba, Infrastructure Canada (INFC) confirms that the modification to the Project is eligible under the PTIF-CWWF terms and conditions. As part of the project submission process, Manitoba was required to attest to the accuracy of all information and to the incrementality of this Project.
- The Project submitted for approval under PTIF Summary Report #8 represents a net decrease of \$2,600,000 in total eligible project cost and a net decrease of \$1,300,000 in federal funding. The net decrease of the allocation represents approximately two percent of the PTIF funding envelope in Manitoba. Manitoba has requested this modification to purchase an additional five buses using part of the cost savings. Unspent federal funding and cost savings under the PTIF program will be transferred to the public transit stream of the Integrated Bilateral Agreement for Phase 2 of the Investing in Canada Plan [REDACTED] of residual funds, including this Project's costs savings of \$1,300,000, would be transferred pending approval of Summary Report #8).

- [REDACTED]

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- Based on the information supplied by Manitoba, the modification to the Project does not have any Environmental Assessment (EA) requirements for which there is a federal responsibility. In addition, there is no legal obligation to consult with Aboriginal groups under section 35 of the Constitution Act, 1982 for any of the project modifications.

KEY BACKGROUND

- Manitoba originally signed the PTIF-CWWF Bilateral Agreement on July 25th, 2016 and it has been informed, via a Ministerial letter dated March 29, 2018, that it is eligible for the extension of both programs. Since Manitoba met all reporting requirements and provided updates as of March 31, 2018, it will have the opportunity to incur eligible project costs up to March 31, 2020. The Agreement was amended on October 16, 2018 to reflect the program extension.
- PTIF helps accelerate short-term municipal investments while supporting the rehabilitation of transit systems and funding studies to support longer-term transit expansion plans. Projects approved under the PTIF help improve reliability, efficiency, safety and accessibility of public transit systems and help large municipalities plan for future system improvements and expansion.
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 Under these authorities, the Minister of Infrastructure and Communities may enter into the Agreement with Manitoba in accordance with the program's terms and conditions.

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RECOMMENDATION/NEXT STEP

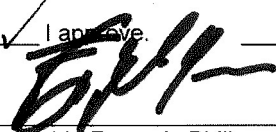
- INFC officials and the Project Review Panel confirm that the Project is within your delegated authority and that Treasury Board approval is not required (Annex B). Accordingly, they recommend that you indicate your approval by signing Manitoba's PTIF Summary Report #8 (Annex A), along with the accompanying cover letter to your Manitoba counterpart (Annex C).



Kelly Gillis
Deputy Minister
Infrastructure and Communities

Date Aug 13/19

☒ I approve. ☐ I do not approve. ☐ For discussion.



The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Infrastructure and Communities

Date AUG 16 2019

Attachments:

- Annex A – Manitoba's PTIF Summary Report #8
- Annex B – Project Review Panel Assessment Note
- Annex C – Cover Letter

Annex A

Manitoba PTIF Summary Report #8

PTIF Modified Project (Amendment)

Original approval Summary Report (#)	Project ID	Ultimate Recipient	Project Name	Project Description	Eligible Investments Category	Total Eligible Costs	Federal Share	Provincial Share	Municipal Share	Other contribution	Forecasted construction start date	Forecasted construction end date
Project list 6	0003 (List 8)	City of Winnipeg	Transit Buses	The project entails the purchase of seventy (70) Xcelior transit buses that are forty (40) feet in length. These new buses will be used to replace existing buses.	1. Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure (including rehabilitation or enhancement of existing guide ways, maintenance and storage facilities, or other existing public transit capital assets; refurbishment or replacement of existing rolling stock; and replacement or enhancement of transit stations);	\$47,000,000.00	\$23,500,000.00	\$11,750,000.00	\$11,750,000.00	\$ -	2017-07-17	2019-03-29
	0003 (List 8)	City of Winnipeg	Transit Buses	The project entails the purchase of seventy-five (75) Xcelior transit buses that are forty (40) feet in length. These new buses will be used to replace existing buses. <u>Rationale for scope change and extension: The project has come in under-budget leaving a cost savings of \$5.71M. This is because the cost per bus included an inflationary increase that did not materialize. Bus prices can fluctuate based on movement of the Statistics Canada Monthly Industrial Product Price Index which is influenced by things like fluctuations in the Canadian dollar, inflation, and tariffs. The City is seeking approval of a scope change to purchase an additional 5 buses using part of the cost-savings.</u>	1. Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure (including rehabilitation or enhancement of existing guide ways, maintenance and storage facilities, or other existing public transit capital assets; refurbishment or replacement of existing rolling stock; and replacement or enhancement of transit stations);	\$44,490,000.00	\$22,200,000.00	\$10,321,724.00	\$11,078,276.00	\$ -	2017-07-17	2020-03-31
Net Change for Modified Projects						-\$ 2,600,000.00	-\$ 1,300,000.00	-\$ 1,428,276.00	\$ 128,276.00	\$ -		


Minister of Infrastructure and Communities

AUG 16 2019

Date

Annex B

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MEMORANDUM TO THE DEPUTY MINISTER

**PUBLIC TRANSIT INFRASTRUCTURE FUND AGREEMENT WITH THE
PROVINCE OF MANITOBA**

(FOR DECISION)

Summary

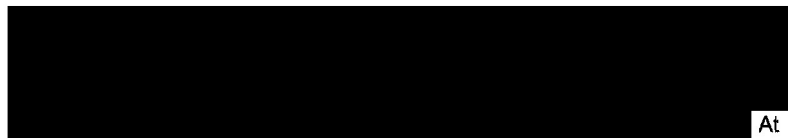
This note provides you assurance that the Minister may proceed to approve the project listed in Summary Report #8 for the Province of Manitoba under the Public Transit Infrastructure Fund without a Treasury Board (TB) submission. The Project Review Panel (PRP) is satisfied that the project listed in Summary Report #8 for the Province of Manitoba do not require TB approval.

Background

The PRP reviewed the project in the Summary Report #8 for the Province of Manitoba as well as the draft briefing note to the Minister and verified that the attestation on the incrementality of the project list has been provided.

Assessment

Assessment of TB Approval Requirement



At this review stage of the projects, the PRP has reviewed the materials against the exceptions and confirms that TB approval is not required. However, if during the implementation of a project it becomes apparent that an exception or an exemption has been triggered, then PRP would be advised that a TB submission is required.

Assessment Against Policy Criteria

The PRP reviewed the project in Summary Report #8 and is satisfied that the project meets all applicable requirements of government policy on the parameters of the program.

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Canada





Assessment of Chief Financial Officer (CFO) Accountabilities

Based on the Summary Report, the PRP Secretariat confirms that the project:


- ✓ conforms to government policy on the parameters of the program;
- ✓ conforms to Treasury Board policy; and,
- ✓ conforms with the terms and conditions of the program.

Recommendation

The PRP recommends that you support the recommendations in the Memorandum to the Minister.

	AUG 08 2019
<p>Nathalie Bertrand, Chair – PRP Assistant Deputy Minister Corporate Services and CFO</p>	<p>Date: </p>
<p>Gerard Peets Assistant Deputy Minister Policy and Results</p>	<p>External Advisor </p> <p>External Advisor </p>

Prepared by:


 for Greg Hall
 Secretary to the PRP Secretariat

Annex C

Minister of Infrastructure
and Communities



Ministre de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

The Honourable Jeff Wharton, M.L.A.
Minister of Municipal Relations
Government of Manitoba
317 Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

AUG 16 2019

Dear Minister:

It is my pleasure to write to you regarding the approval of the modification in Summary Report #8 under the Canada – Manitoba Public Transit Infrastructure Fund (PTIF) and Clean Water and Wastewater Fund (CWWF) Bilateral Agreement.

Enclosed is a signed copy of the PTIF Summary Report #8 providing federal approval for one project modification as submitted by Manitoba. Eligible project costs can now be incurred up to March 31, 2020.

I would like to take this opportunity to thank you for your collaboration and for your commitment to the successful delivery of the PTIF in Manitoba. I look forward to our continued collaboration as we implement these programs for the benefit of all Canadians.

Yours sincerely,

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Infrastructure and Communities

Enclosure